

MINUTES

Colorado Blue Ribbon Panel on Housing
May 3, 2005
Red Rocks Community College, Lakewood, Colorado

Present

Gary Severson
Kathi Williams
Roy Alexander
James van Hemert for Marc Holzmann
Alana Smart
Jay Wilson
Deb Tamlin
Britta Fisher
Mike Rosser
Peter Neukirch
John Osborn
Craig Maraschky for Melanie Worley
Randy Pye for Tom Clark
Tony Hernandez

Bonnie Osborne from Summit County Housing

By videoconference: Tresi Hought
Jim Spehar

By phone: Lynn Black

Meeting is called to order at 1:40 by Kathi Williams

Ryan McMaken updates panel on roundtable presentations and legislative issues.

Glenwood Springs/Rural Resorts Housing Roundtable –

Susan Shirley – of Mountain Regional Housing led the presentation.

Also: KT Gazunis –Eagle Co Housing
Geneva Powell – Garfield County Housing
Bonnie Osborn – Summit County Housing
Bill Tuite of the Roaring Fork Housing Fund also contributed substantially to the Report

[Roundtable's Powerpoint Presentation]

Highlights:

Rural resort region does not include all of Garfield county. Finite availability of privately held land in the counties. – see maps.

Have much effort in communicating within the region. They are also the fastest growing region as a whole. The construction costs are high. 225\$/sq foot. That is without the land costs.

Second homes continue to drive up costs.

The impact of second homes in the region is very important.

KT Gazunis– we survey projects for a total of 1500 units. Our vacancy is around 2% - our methods differ significantly from CDH's as we survey affordable units as well.

Bonnie Osborn – polling shows that the housing issue is important to people, but they don't want to pay more taxes for it. Past ballot measures have failed.

Gary Severson: communities like Kremmling, Leadville, and Rifle are the communities that are providing the workers to the rural resort communities. We need to include the labor supplying as well as the labor providing communities.

Jim Spehar – half of people in Lake co who had a w-2 commuted out of the county. The social and community impacts are very acute. The educ. system in Lake county is a direct result of the commuting lifestyle.

Tresi – if you look also at the commuter map, it includes all the peripheral communities as well. It is very important to not forget those communities and to recognize they are encompassed in the local economy. They have traditionally been housing zones, but are now trying to create their own economic bases.

Spehar – another exacerbating factor is the tax base is in the job counties while the housing counties are not benefiting from the revenue.

Gary Severson– one of the reasons the price of land is so high is because 80% of the land region-wide is owned by the federal government. The public land is a value for the area, but it is also something that we may want to consider in recommending this fall. The feds have a program – the Townsite Act which allows communities with contiguous boundaries with fed land can apply for up to sec of agriculture for up to 640 acres of land to be used for public purposes such as schools town hall, fire stations hospitals, etc. We may want to talk to cong delegation to look at housing for workers for that area. It would be controversial, but it may be something to explore.

Spehar – we have 70% in Mesa county. Our land prices aren't near the resort areas but I wonder if it is THE issue, I don't think it is.

Gary Severson– According to FED economist Stefan Weiler, when you have a formula that includes good amenities and good topography and a very small supply being chased by a lot of dollars. Its not dependant just on public land, but also on the other amenities.

Mike Rosser – inclusionary zoning – do you advocate region-wide or statewide?

Roundtable: We aren't opposed to a statewide initiative, but we were thinking more on a regional basis.

Tresi – we found in last months meeting that there are very different needs around the state- as we look for statewide resolutions to our housing concerns. We need to recognize the regional differences and recognize the value of different regions.

Bonnie Osborne – one of the things we have talked about on a regional basis, due to tabor we are not allowed to ask for new funding or a real estate transfer tax, etc. When we had PUD we asked for housing to match the number of new employees in development. Perhaps Copper Mountain is asking for relief. Perhaps we could do in lieu of payment to counties and towns and that money be used in places where it is really needed.

[see powerpoint for other comments]

Northern Colorado Presentations

The Fort Morgan Roundtable was broken down into two regions – one to focus on the more urban counties of Larimer and Weld and one that will focus on the more rural regions of the eastern plains.

There are two kinds of housing issues in the region: rural and urban

Roundtable members present:

Davey Graff

Dorothy Ortner

Sharon Helms

Nancy Taylor

Kimberley Stenberg

Chadrick Martinez

Kim Stenberg of Urban Solution in Fort Collins – and Chadrick Martinez will present on the urbanized counties of Weld and Larimer.

[powerpoint presentation] Comments:

Larimer county ranks only behind Summit and Boulder county in median home price.

Wages versus purchase price –

Stenberg: Northern Colo econ dev corp and Greeley/Weld economic development action partnership – they no policy on housing

91% increase in housing 40% increase in wages over past decade.

United Way of Weld county had a report needs and strategies on housing in Weld county.

Rural Counties: Phillips, Morgan, Logan, Washington, Kit Carson, Lincoln, etc.

The region has seen declines in recent years from lost farms and young people moving out of the area.

Phillips county recently did a needs assessment – preservation new construction or rental housing is limited. 115 renters to move into home ownership. It is very difficult to achieve economies of scale with such a small population in the different parts of the region.

Costs of self-help housing cost about 127,000 to produce. They are often funded by USDA –RD. We've done about 46 houses with this program.

Wray, Colo – houses assisted living has nursing bed facility and Alzheimers facility. Serves the region including Kansas and Nebraska.

USDA funding covers between 50-60 percent. Farm housing will remain full all year round.

Nancy Taylor– the self-sufficiency wages in rural is 5 \$ less than in the urban areas. The cost of housing is less, so it also brings a lot of people out of the urban areas to live out here.

Tony Hernandez – specifics on what definitions should be for manufactured housing?

Do you have a proposed policy change water policy? What specific changes to policy?

Source of revenue for creating infrastructure bank?

How long should it be if its too long now? And why?

How would you implement a more expedited approval process?

More flexibility with zoning? Specifics?

What proposed changes for eviction laws?

Davey Graff – manufactured housing situation – the confusion we have out here is that we need a basic standardized def of what is manufactured housing – what is mobile homes vs. UBC HUD coded homes? We need a basic definition so we can have a more rational process.

Gary Severson – we would like to work with you on assessing the impacts of water on housing costs. More on the infrastructure bank?

Nancy Taylor – the way we were looking at it , we're not sure on a revenue source, but we're looking for something to help put in the infrastructure is to have a source of funds so we could use it to put in the infrastructure needed. We'd like to coordinate to that if we're going into an area to do the infrastructure so that when the housing is approved the town could work with both USDA and DOH to work on doing the infrastructure through some kind of banking of funds.

Panelist - Tools for developer builders/consumer – did you think about any tools for the employers to solve this problem?

K Stenberg– when I worked for the econ dev corp last year, one of the very interesting things was the whole disconnect between the housing and economic devo. One of the things I know is happening is that the eco devo groups are beginning to look at housing and talk to realtors and discover what the actual cost of housing is. We've never reached out to employers to talk about what their needs are. How do we better serve employers? We aren't presently doing a good job on that.

One thing I would suggest is to research what the cost of living is and work with aff housing groups to be sure that the workforce is going to have a place to live.

Chadrick Martinez – we actively work with the chamber to attract some employees into our communities. It's now a one sided effort. We're going out to demonstrate to them the benefits that CARE can provide. They don't see it as an issue the way the mountain communities see it.

Peter Neukirch- one thing we did at Southeast Business Partnership was begin to develop a fund for downpayment assistance.

Nancy – Sterling brought in a correctional fac and built housing but found that employees decided that they would commute rather than move to sterling. We need to also check with the employees to make sure that we are not overbuilding.

Final issues –

Tony – There are now a lot of efforts on preventing predatory lending – look at this issue.

Kathi Williams– looking at pred lending – we'd invite all to come into our office and have a look at our new website that is having a section on homebuying and pred lending.

Kathi Williams goes on to describe the HB1331 discussion of the Blue Ribbon Panel and discussed subcommittee formed to talk about house bill 1331

Britta Fisher - makes update on legislation. Copies for everyone amended with legislative declaration that states that panel is working on this issue and such recommendations should be taking the recommendations into account. Adds 2 more members to state housing board. Changes won't take effect until there are new monies available for the fund. Focuses on high-cost communities and defines them. Allows the existing state housing fund to make grants instead of just loans as is currently the issue.

Kathi Williams— there's a subcommittee on that If you'd like to sit on it let Ryan know. Kathi goes on to describe the new efforts with Fannie Mae and Freddie about the new efforts to tax the GSE's.

Mike Rosser – the recommendation that is most interesting at the moment is to have an architecture and structure like FHLB have which is to develop a %age of revenue or a user fee on debt for affordable housing that would be overseen by an advisory board and apportioned to the states based on population or something else.

Tony Hernandez – 53% of all our money today goes to afford housing. There's an effort to do a fund, but the question is who controls the fund? It's Fannie Mae money, who should control the money since it is private money? That's the discussion.

Kathi Williams – and it's a discussion that's going to be held in this subcommittee. This is on the table and ripe for discussion. Fannie Mae is in the business of giving money.

Tony Hernandez – the tax increase will be passed onto the consumers. If there is going to be a tax increase on Fannie Mae we want to be cognizant of that discussion. Who would control that money and how would it be distributed. If we were to argue that it be send to state government, where then does it flow within the state? This is complicated question.

K Williams - It is my understanding that a bill on this will be introduced in July or August.

Tony Hernandez– it would be a new tax increase because Fannie has a 29 bln dollar tax liability today. So that would be on top of the current tax increase.

Mike Rosser – I think what the policy is looking at is meeting these affordable housing goals and finding a way to do that which is in exchange for the benefits that the GSE's have a benefit as part of their charter given them by congress.

Kathi Williams – as you have certain housing goals it can create greater risk - is it better to relax goals which decreases risk and then brings money to housing thorough a diff means?

K Williams – be sure to look at coloradohousingsearch.com

Meeting adjourned 4:10 pm.